

CHICOPEE, MASSACHUSETTS

September 30, 2009

*SPECIAL MEETING OPENED BY PRESIDENT ZASKEY AT 5:30 P.M.

PUBLIC INPUT

Corey Briere, 95 Lukasik Street, Downtown Parking. It is limiting businesses in the center. Every business that was open signed a petition to change parking. Something should be done with the empty buildings in the Center.

Gail Sherman, 155 Mountainview Street, representing the Chamber of Commerce, she supports Corey in his petition. Its harder for the businesses in the Center please consider the business community with your vote.

KEITH W. RATTELL
CITY CLERK

Notice of Meeting

To be filed in duplicate

Notice is hereby given in accordance with Chapter 39, Section 23B of the General Laws of a meeting of the:

City Council

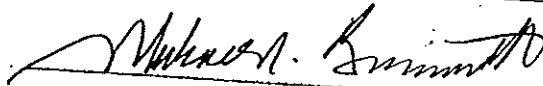
(Name of the Board, Committee, Commission, Authority, Etc)

The meeting will be held at 5:30 pm On Wednesday, September 30, 2009

The location of the meeting will be City Council Chambers

Full description of location 274 Front Street, Fourth Floor
(Street Address)

The purpose of the meeting Tax Classification



Signature

Mayor

Title

Thursday, September 24, 2009

Date of Notice
(to be completed by signing authority)

<p>Date and Time Received by the City Clerk's Office (electronic stamp)</p> <p>2009 SEP 24 A 10:41 CITY OF CHICAGO CLERK'S OFFICE</p>	<p>Date and Time Posted by the City Clerk's Office (electronic stamp)</p> <p>2009 SEP 24 A 10:41 CITY OF CHICAGO CLERK'S OFFICE</p>
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City of Chicopee

FY 2010 TAX CLASSIFICATION HEARING

TOTAL ASSESSED VALUE	\$3,665,344,340
LEVY CEILING	\$91,633,609
LEVY LIMIT (APPROXIMATE)	\$62,394,534
LEVY	\$61,322,392

Presented to: CHICOPEE CITY COUNCIL

By: CHICOPEE BOARD OF ASSESSORS

Stanley Iwanicki

Virginia Robak

Laura McCarthy

Prepared By The Board of Assessors: September 24, 2009

Classification Hearing Date: September 30, 2009

INTRODUCTION

In 1974, the Supreme Judicial Court of Mass. mandated that all communities must assess their properties at full and fair cash value. Full and fair cash value has been defined as 100% of a property's "fair market value", which is the price an owner willing but not under compulsion to sell ought to receive from one willing but not under compulsion to buy. A 1978 referendum allowed the classification of property according to use and authorized different rates for different classes of property.

Each year the Board of Aldermen must conduct a public hearing on the issue of allocating the local property tax levy among the five property classes. The public meeting must comply with the open meeting law.

After a public hearing, the Board of Aldermen with the approval of the Mayor must determine the following:

1. The adoption of the residential factor.
The residential factor determines the share of taxes each class of property will pay. A residential factor below 1.0 will favor residential and open space property with a tax rate that is less than that on commercial, industrial, and personal property.
2. The adoption of the residential exemption.
3. The adoption of the open space exemption.
4. The adoption of the small commercial exemption.

A chart explaining the exemptions is attached for your convenience.

Definition of Terms

1. Residential properties may be of three types:
 - a. Owner-occupied and primary residence of the taxpayer.
 - b. Non owner-occupied, including rental single family, rental portions of multi-family dwellings, and apartment complexes.
 - c. Vacant, residentially zoned land.
2. Open Space is land that is not otherwise classified, is in its natural condition, and is not held for the production of income.
3. Commercial properties include stores, office buildings, and all vacant land classified as forest land (Ch. 61), farm land (Ch. 61A), and recreational land (Ch.61B).
4. Industrial land and buildings include those in which manufacturing takes place, and those utility companies such as Western Massachusetts Electric Company & Verizon New England Inc.
5. The Personal property class contains all taxable personal property of individuals, partnerships, associations, and certain corporations. More important members of this class are Western Massachusetts Electric Company, Verizon New England Inc, Baystate Gas Company, and Charter Communications, the value of whose poles, wires and conduits are included as Personal Property.

What is a Levy?

The property tax levy is the revenue a community chooses to raise through real and personal property taxes.

What is the Levy Limit?

The Levy Limit is the maximum the levy can be in a given year. The limit is based on the previous year's limit plus 2.5% plus new growth and overrides. The levy limit cannot exceed the levy ceiling or absolute levy limit.

What is the Levy Ceiling (or Absolute Levy Limit)?

The Levy Ceiling (or Absolute Levy Limit) is the maximum the levy limit can be. The Levy Ceiling Ceiling (or Absolute Levy Limit) equals 2.5% of the community's full and fair cash value of taxable taxable real and personal property.

What is the Excess Levy Capacity?

When a Community sets its levy below the limit, the difference between the levy and the levy limit levy limit is commonly referred to as excess levy capacity. This is an additional amount the community could, but chose not to, levy.

FY 2010 TAX RATES BASED ON SHIFT AT LEVY & LEVY LIMIT

FY2010 TAX INFORMATION	
FY2010 LEVY LIMIT	\$62,394,534
FY2010 LEVY	\$61,322,392
RES	COM
AVE VALUE	\$182,709 \$568,766

FY2009 TAX INFORMATION	
FY2009 LEVY LIMIT	\$60,273,873
FY2009 LEVY	\$60,273,873
TAX RATE	RES COM
AVE VALUE	\$13.20 \$28.12
AVE BILL	\$190,736 \$553,363
	\$2,518 \$15,561

FY2010 LEVY		\$61,322,392									
COMMERCIAL	RESIDENTIAL	RESIDENTIAL	RESIDENTIAL	RATE	AVE BILL	AVE BILL	COMMERCIAL	COMMERCIAL	RATE	AVE BILL	AVE BILL
SHIFT	FACTOR	SHARE	RATE	INC / DEC	INC/DEC	SHARE	RATE	INC / DEC		INC/DEC	
100%	100.0000%	79.7311%	\$16.73	\$3.53	\$3,057	\$539	20.2689%	\$16.73	-\$11.39	\$9,515	-\$6,045
170%	82.2049%	65.5429%	\$13.75	\$0.55	\$2,512	-\$5	34.4571%	\$28.44	\$0.32	\$16,176	\$615
171%	81.9507%	65.3402%	\$13.71	\$0.51	\$2,505	-\$13	34.6598%	\$28.61	\$0.49	\$16,272	\$712
172%	81.6965%	65.1375%	\$13.67	\$0.47	\$2,498	-\$20	34.8625%	\$28.78	\$0.66	\$16,369	\$809
173%	81.4423%	64.9348%	\$13.63	\$0.43	\$2,490	-\$27	35.0652%	\$28.94	\$0.82	\$16,460	\$900
174%	81.1881%	64.7321%	\$13.58	\$0.38	\$2,481	-\$37	35.2679%	\$29.11	\$0.99	\$16,557	\$996
175%	80.9338%	64.5295%	\$13.54	\$0.34	\$2,474	-\$44	35.4705%	\$29.28	\$1.16	\$16,653	\$1,093

FY2010 LEVY LIMIT		\$62,394,534									
COMMERCIAL RESIDENTIAL		RESIDENTIAL		RESIDENTIAL		COMMERCIAL		COMMERCIAL		RESIDENTIAL	
SHIFT	FACTOR	SHARE	RATE	INC / DEC	AVE BILL	INC/DEC	SHARE	RATE	INC / DEC	AVE BILL	AVE BILL INC/DEC
100%	100.0000%	79.7311%	\$17.02	\$3.82	\$3,110	\$692	20.2689%	\$17.02	-\$11.10	\$9,680	-\$5,880
170%	82.2049%	65.5429%	\$13.99	\$0.79	\$2,556	\$38	34.4571%	\$28.94	\$0.82	\$16,460	\$900
171%	81.9507%	65.3402%	\$13.95	\$0.75	\$2,549	\$31	34.6598%	\$29.11	\$0.99	\$16,557	\$996
172%	81.6965%	65.1375%	\$13.91	\$0.71	\$2,541	\$24	34.8625%	\$29.28	\$1.16	\$16,653	\$1,093
173%	81.4423%	64.9348%	\$13.86	\$0.66	\$2,532	\$15	35.0652%	\$29.45	\$1.33	\$16,750	\$1,190
174%	81.1881%	64.7321%	\$13.82	\$0.62	\$2,525	\$7	35.2679%	\$29.62	\$1.50	\$16,847	\$1,286
175%	80.9338%	64.5295%	\$13.78	\$0.58	\$2,518	\$0	35.4705%	\$29.79	\$1.67	\$16,944	\$1,383

EXEMPTIONS TO BE VOTED UPON

Exemption	Residential	Open Space	Small Commercial
Description	<p>Applied to every residential property which is the principal residence of a taxpayer.</p> <p>Does not apply to accessory land incidental to a residential use, summer homes, or to residential property not occupied by its owner. Benefits domiciled taxpayers.</p> <p>May be a discount up to 20% of the value of the residential parcel.</p>	<p>Defined as taxable land maintained in an open or natural condition which contributes significantly to the benefit and enjoyment of the public. Does not apply to land taxable under provisions of Ch. 61, Ch 61A, 61B.</p> <p>Open space can be given a discount of 25% of the residential factor.</p> <p>City of Chicopee has no Open Space</p>	<p>A class three, commercial parcel must be occupied by a business with an average annual employment of no more than ten during the previous calendar year, as certified by the Dept of Employment and Training and have valuation less than one million dollars.</p> <p>May be up to 10% of the value of Commercial parcels occupied by qualifying small businesses.</p>
Tax Shift	<p>Lowers taxes on parcels which are primary residence of the taxpayer. Shifts taxes to all other residential taxpayers.</p>	<p>Shifts the tax burden to all other taxpayers in the residential class.</p>	<p>Lowers taxes on parcels occupied by eligible business & shifts taxes to other commercial and industrial taxpayers.</p>
	<p>Aldermen's Historic Vote: NO</p>	<p>Aldermen's Historic Vote: NO</p>	<p>Aldermen's Historic Vote: NO</p>

FY 2010 TAX CLASSIFICATION HEARING

ADDENDUM SUPPORTING DOCUMENTATION AND CALCULATIONS

- 1A DOR FY2010 CALCULATION OF LEVY LIMIT
- 2A VALUE COMPARISON FY2009 TO FY2010
- 3A EFFECT OF COMMERCIAL SHIFT ON TAX \$\$ FOR FY2009
- 4A CHICOPEE TAX RATE HISTORY
- 5A TAX RATES NEIGHBORING COMMUNITIES FY2009
- 6A NEW GROWTH HISTORY

THE COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF REVENUE
FISCAL 2010 TAX LEVY LIMITATION FOR
CHICOPEE
FOR BUDGET PLANNING PURPOSES

I. TO CALCULATE THE FY2009 LEVY LIMIT

A. FY2008 Levy Limit	<u>57,709,275</u>
A1 ADD Amended FY2008 Growth	<u>0</u>
B. ADD (IA + IA1) X 2.5%	<u>1,442,732</u>
C. ADD FY2009 New Growth	<u>1,121,866</u>
D. ADD FY2009 Override	<u>0</u>
E. FY2009 Subtotal	<u>60,273,873</u>
F. FY2009 Levy Ceiling	<u>93,723,683</u>

I. \$ 60,273,873
FY2009 Levy Limit

II. TO CALCULATE THE FY2010 LEVY LIMIT

A. FY2009 Levy Limit from I.	<u>60,273,873</u>
A1 ADD Amended FY2009 Growth	<u>0</u>
B. ADD (IIA + IIA1) X 2.5%	<u>1,506,847</u>
C. ADD FY2010 New Growth	<u>613,814</u>
D. ADD FY2010 Override	<u> </u>
E. FY2010 Subtotal	<u>62,394,534</u>
F. FY2010 Levy Ceiling	<u>91,633,609</u>

II. \$ 62,394,534
FY2010 Levy Limit

**III. TO CALCULATE THE FY2010
MAXIMUM ALLOWABLE LEVY**

A. FY2010 Levy Limit from II.	<u>62,394,534</u>
B. FY2010 Debt Exclusion(s)	<u>0</u>
C. FY2010 Capital Expenditure Exclusion(s)	<u> </u>
D. FY2010 Other Adjustment	<u> </u>
E. FY2010 Water / Sewer	<u> </u>
F. FY2010 Maximum Allowable Levy	<u>\$ 62,394,534</u>

**VALUE COMPARISON
FY2009 TO FY2010**

PROPERTY CLASS	TOTAL FY 2009 ASSESSED VALUE		TOTAL FY 2010 ASSESSED VALUE		2010-2009 \$ CHANGE	2010-2009% % CHANGE
RESIDENTIAL OPEN SPACE COMMERCIAL INDUSTRIAL PERSONAL PROPERTY TOTALS	3,027,774,535	80.76%	2,922,419,960	79.73%	-105,354,575	-3.48%
	355,943,979	9.49%	366,882,540	10.01%	10,938,561	3.07%
	241,662,100	6.45%	244,570,900	6.67%	2,908,800	1.20%
	123,566,710	3.30%	131,470,940	3.59%	7,904,230	6.40%
	\$3,748,947,324	100.00%	3,665,344,340	100.00%	-\$83,602,984	-2.23%
TAX RATE FACTOR OF	\$15.40			\$16.73		
LEVY LIMIT	\$60,276,320		\$62,394,534			
PROPOSED TAX LEVY	\$60,276,320		\$61,322,392			
NEW GROWTH	\$52,425,844		\$28,644,970			
TAX LEVY GROWTH	\$1,124,313		\$613,814			

Change in Value= a gross value change (market adjustment, new growth, abatements, demolitions and reclassification of parcels).

EFFECT OF COMMERCIAL SHIFT ON TAX \$\$ FOR FY 2009

SINGLE TAX RATE				SPLIT TAX RATE			
	TOTAL VALUE	TAX AMT	RATE	TOTAL TAXES	TAX AMT	RATE	TOTAL TAXES
FY2009							
RESIDENTIAL	3,027,774,535	\$48,686,615	\$16.08	80.76333%	\$39,966,624	\$13.20	66.3390%
COMMERCIAL	721,172,789	\$11,596,458	\$16.08	19.2367%	\$20,279,379	\$28.12	33.6610%
TOTAL	\$3,748,947,324	\$60,283,073		100.00000%	\$60,246,003		100.00000%

* Tax amount for single tax rate vs split tax rate do not equal each other as a result of rounding.

CHICOPEE TAX RATE HISTORY

Since proposition 2 1/2.....

Fiscal Year	Residential	Commercial	Commercial Shift
1984	20.50	36.33	150%
1985	19.41	32.92	145%
1986	19.25	34.11	150%
1987	14.89	26.34	150%
1988	14.67	25.92	150%
1989	14.68	26.00	150%
1990	10.59	18.26	150%
1991	10.87	18.74	150%
1992	11.20	19.42	150%
1993	12.26	21.46	150%
1994	12.73	22.28	150%
1995	13.22	23.03	150%
1996	14.77	26.09	150%
1997	15.29	27.00	150%
1998	15.78	27.87	150%
1999	16.22	28.69	150%
2000	16.65	29.54	150%
2001	17.02	30.86	150%
2002	16.27	31.75	162%
2003	16.94	32.33	157%
2004	17.43	33.16	156%
2005	13.64	32.49	186%
2006	13.09	31.70	190%
2007	12.76	28.89	183%
2008	12.36	26.01	175%
2009	13.20	28.12	175%

TAX RATES OF NEIGHBORING COMMUNITIES FY2009

RATES	RESIDENTIAL	COMMERCIAL	AVE RES VALUE	AVE RES TAX BILL	RANK/337
Chicopee	13.20	28.12	190,736	2,518	298
Agawam	12.07	26.04	232,923	2,811	265
Holyoke	14.24	35.15	190,995	2,720	276
Longmeadow	17.11	17.11	364,636	6,239	41
Ludlow	14.28	14.28	231,232	3,302	199
Springfield	17.89	36.98	139,273	2,492	303
West Springfield	14.66	33.85	239,254	3,507	173
Westfield	13.94	27.61	240,319	3,350	190
Wilbraham	15.29	15.29	307,017	4,694	92

NEW GROWTH HISTORY

FISCAL YEAR	NEW GROWTH VALUATION	NEW GROWTH TAX LEVY	RESIDENTIAL TAX RATE	CIP TAX RATE
1998	13,732,100	306,356	15.29	\$27.00
1999	31,409,922	735,690	15.78	27.87
2000	19,469,435	453,375	16.22	28.69
2001	76,264,110	2,146,214	16.65	29.54
2002	32,657,302	928,024	17.02	30.86
2003	27,271,970	682,549	16.27	31.75
2004	36,789,360	1,031,211	16.94	32.33
2005	23,501,939	633,158	13.64	32.49
2006	38,025,460	884,138	13.09	31.70
2007	47,124,746	1,166,619	12.76	28.89
2008	44,394,690	1,066,378	12.36	26.01
2009	52,331,744	1,121,866	13.20	28.12
2010	28,644,970	613,814		